

The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #4599-83  
23 June 1983

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

THROUGH [redacted] 25X1  
National Intelligence Officer for Warning

FROM : David D. Gries  
National Intelligence Officer for East Asia

SUBJECT : East Asia Warning Assessment

Community Representatives addressed the following topics at the 22 June warning meeting.

- I. Warning -- No subjects were identified for discussion.
- II. Regional Developments

A. China - Guangdong Province

[redacted] attended the meeting and briefly spoke on China's progress toward modernization, bureaucratic reform, and the status of foreign corporations involved in off-shore oil exploration. [redacted] reported that the area shows some signs of progress toward meeting modernization goals set for the year 2000, particularly in recently completed commercial construction in Guangzhou. In general the population appears to be satisfied with the new economic policies; a higher standard of living and increased personal income are evident. 25X1

Reform at the bureau level is progressing at a measured pace and is being carried out under strict central committee guidelines. The educational level of some new senior officials has been raised to a college-level equivalent; the average age of new Vice-Governors is below 60 years. [redacted] commented that 15-17 foreign corporations are expected to participate in off-shore oil exploration, and he estimated that approximately a thousand foreign nationals will soon be headquartered in Guangzhou. We are reminded that the progress and prospects of Guangzhou and Guangdong exceed those of the rest of China. 25X1

B. ASEAN

Paula Causey of INR reported that the late June Ministerial Conference will center on the Kampuchea situation, refugees, global economics, and internal political issues. During the 5th Post-Ministerial discussions, ASEAN officials and Secretary Shultz expect to discuss US policy in Asia and the Pacific, and economic issues which will include US protectionism, GSP, import limits, and the Caribbean Basin initiative. No major contentious issues are expected. The US plans to play a more active role than in the recent past and may discuss an initiative for a management training program. Specific requests are anticipated for assistance in small and medium industrial projects and for marine remote sensing devices.

C. China -- National People's Congress

[ ] CIA commented on the political aspects of the NPC, reporting that events unfolded as expected with the exception of the appointment of two new Vice Premiers from the 'Third Echelon', successor generation. We have little evidence of the new responsibilities of the Central Military Commission, but it appears that the PLA is basically moving away from the locus of political decision-making into a more professional role.

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[ ] CIA spoke on the economic aspects of the NPC, commenting that while the Premier reaffirmed general policy guidelines, he criticized late 1981, early 1982 investment policies as an "appalling waste of resources and productivity." Currently, investment appears to be ahead of plan as a result of decentralization policies of the past two to three years. Stronger Government measures are expected in an effort to encourage light industries.

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III. Plans for Inter-Agency Work

The NIO/EA commented that new estimates will include Soviet Policy in East Asia, a Memorandum to Holders on Kampuchea, and possibly, Chinese Economic Development, with a concentration on constraints to development. Other new topics and drafters were requested.

IV. Regional Policy Issues

No new issues were identified for discussion.

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